

Islam, Murabaha and Fixed Deposits

Articles

Islam and Usury

Wednesday, 01 Sha'ban 1428 has declared war on the moneylender who demands interest. It did so

"O ye who believe! Fear Allah and do not give up what remains superfluous to you, and if you do, then take (it) back (without fear of loss)."

If (you forgo the interest due to you and then find) the debtor in a difficulty (in respect of returning the cap-

And (in this matter in particular) fear the Day when ye shall be brought

Prophet Muhammad (peace be upon him) declared that the consumption of even a Dirham (a silver coin)

Fifty years ago my own Muslim community of Trinidad and Tobago was led by Haji Ruknuddin (may Alla

But times have since changed, and our Muslim community is now led, with but few exceptions, by men w-

Even Islamic scholars have fallen by the wayside so badly that when a Trinidadian (money-lending) bank

In this essay we direct attention to 'Fixed Deposits' as well as to so-called Murabaha transactions in an a-

At the heart of the Islamic prohibition of usury (Riba) is the maxim that if you do not plant, you cannot rea-

The blessed Prophet declared that any transaction involving an exchange of 'money' for 'money' must be

In his masterpiece entitled 'Merchant of Venice', William Shakespeare likened Riba or usury to a 'pound

“Those who devour usury will not stand (before their Lord for Judgment) except as stands one whom Sa
(Qur'an, al-Baqarah, 2:275)

What, then, is the status of someone who makes a 'Fixed Deposit' with his money in a bank or any other

BACK-DOOR RIBA

Islamic Banks and other Islamic financial institutions are today lending money on interest through the ba

In fact the bank never actually purchases the item. Rather, it writes out a check to the client who then pu

It is when the client defaults on payment of installments of money due to the bank that one is treated to

One month after entering into the agreement the client defaulted on his payments. The bank then reposs

We have a stern warning to deliver to those scholars of Islam who persist in defending the so-called mu